



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR

Company Petition No. 8 of 1961

[Laxmi Bank Ltd. (in liqn) Vs. In the matter of
Nav Bharat Trading Co. Ltd. (in liqn.)]

Office Notes, Office Memoranda of Coram,
appearances, Court's orders of directions
and Registrar's orders

Court's or Judge's orders

Mr. Shriniwas V. Deshpande, Advocate for the Official Liquidator with Mr. Deepak Persoya, Official Liquidator

CORAM : **ANIL L. PANSARE, J.**

DATE : **28-03-2025**

On 21-3-2025, following order was passed.

“*Heard.*”

2. *The Laxmi Bank Limited has filed this petition with following prayers.*

(a) *That the company be ordered to be wound up by this Honourable Court under the provisions of the Companies Act, 1956;*

(b) *The Official Liquidator or some other fit and proper person be appointed as the Official Liquidator with all powers under the*

3. *The Laxmi Bank Ltd. has averred that the company by name, Gopaldas Mohatta & Company Limited was incorporated at Nagpur on 25.05.1941. The name of the company was later on changed to “Navbharat Trading Company Private Limited” (company under liquidation), in the meeting of shareholders dated 28.07.1947. The authorized capital of the company was Rs.10,00,000/- and the subscribed and issued capital was Rs.1,61,200/-. The company had multiple objects including trading, financing, etc. It appears that the company had issued three cheques to Laxmi Investment Company Pvt. Ltd., total amounting to Rs.1,35,000/-. It further appears that Laxmi Investment Company Ltd. had a current account with the petitioner – bank at Bombay, Fort Branch. The aforesaid three cheques were presented by Laxmi Investment Company Ltd., which were returned with remark, “Refer to drawer”. According to the petitioner, the Company did not have sufficient funds in its*

account with the said branch. The petitioner bank, however, paid the amount of the aforesaid three cheques drawn on company's account with an assumption that the amount of cheques deposited by the company in its account would be met. According to the petitioner, the amount, that was payable by the company under liquidation was to the tune of Rs.1,14,000/- and accordingly on 18.07.1961, the liquidator of the petitioner company addressed a notice of payment to Navbharat Trading Company Pvt. Ltd., calling upon the company to pay the sum of Rs.1,14,000/-. The envelope containing notice was, however, not accepted by the company under liquidation.

4. *I am informed that not only the company under liquidation i.e. Navbharat Trading Company Pvt. Ltd. but also the other company, Laxmi Investment Company Pvt. Ltd. and Laxmi Bank are under liquidation. In addition, a company namely, National Commercial Corporation Ltd. was also under liquidation in Company Petition No.9/1961, which came to be dissolved by this Court vide order dated 09.06.2022.*

5. *Thus, what remains is the three other companies which are subject matter of Company Petition No.8/1961 (present petition) in respect of Navbharat Trading Company Pvt. Ltd., Company Petition No.12/1961 in respect of Laxmi Investment Co. Ltd. and Company Petition No.14/1960 in respect of Laxmi Bank Ltd., the proceeding being initiated by the Reserve Bank of India. The winding up proceedings against Laxmi Investment Company Ltd. have been initiated by Laxmi Bank.*

6. *Thus, it appears that Laxmi Investment Company Ltd. and Navbharat Trading Company Pvt. Ltd. were holding accounts with Laxmi Bank. It further appears that some financial benefits were extended by Laxmi Bank to Laxmi Investment Company Ltd. and Navbharat Trading Company Pvt. Ltd. and accordingly Laxmi Bank proceeded to file liquidation proceedings against Laxmi Investment Company Ltd. and Navbharat Trading Company Pvt. Ltd. however, prior thereto Laxmi Bank itself was subject matter of winding up proceeding at the instance of the Reserve Bank of India. That appears to be the reason why Liquidator of Laxmi Bank has filed the proceedings against Laxmi Investment Company Pvt. Ltd. and Navbharat Trading Company Pvt. Ltd.*

7. *Coming back to the present proceeding, the Official Liquidator submits that as on 31.12.2024, Navbharat Trading Company Pvt. Ltd. has no assets except one fixed deposit of Rs.1,48,117/-. The Official Liquidator submits that there are two creditors. One is Laxmi Bank, for Rs.3,60,000/- another is Sales Tax Department, Akola for Rs.36,357/-. Mr. Deshpande, learned counsel for the Official Liquidator, submits that the claim of Laxmi Bank will have to be processed first, in terms of Section 529 of the Companies Act, 1956 and since the amount lying to the credit of the company is not sufficient to pay the entire amount of Laxmi Bank, the Company under liquidation is not in a position to pay dues to the Sales Tax Department, Akola.*

8. *The Official Liquidator, however, seeks further time to verify whether there are any other assets belonging to Navbharat Trading Company Pvt. Ltd.*

Stand over to 28.03.2025.”

As could be seen, Laxmi Bank Limited has initiated the present petition. The amount due and payable to Laxmi Bank Limited is/was Rs. 1,14,000/-.

2. The Official Liquidator submits that there are no assets of Navbharat Trading Company Private Limited. He submits that the amount of Rs. 1,48,117/- is, however, lying to the credit of company and accordingly, seeks permission to pay the amount to Laxmi Bank Limited after adjusting amount towards administrative and other expenses. Permission granted. The amount be paid within two weeks from today.

3. The Official Liquidator shall pay to Laxmi Bank Limited the amount which is lying to its credit after meeting administrative and other expenses.

4. The Official Liquidator submits that upon doing aforesaid exercise, nothing would remain with Navbharat Trading Company Private Limited to continue with liquidation proceedings and hence

request is made to dissolve the company under Section 481 of the Companies Act, 1956.

5. Thus, it appears that the Official Liquidator cannot proceed with the winding up of the company for want of fund and asset. It is thus just and reasonable to order dissolution of the company in terms of Section 481 of the Companies Act. Hence, following order is passed.

ORDER

(i) Company named 'Navbharat Trading Company Private Limited' stands dissolved in terms of Section 481(1) of the Companies Act, 1956 subject to compliance of direction in paragraph no. 2 of the order.

(ii) The Official Liquidator shall forward copy of order to the Registrar of Companies in terms of sub-section (2) of Section 481 of the Companies Act.

(iii) The Official Liquidator shall file report of payment of dues to the Registrar(Judicial) of this Court within two weeks from today.

(iv) The company petition is disposed of in above terms.

(Anil L. Pansare, J.)